INFORMATION TEPORT

REPORT NO

25X1A

July 1948

COUNTRY Hungary/USSR

Gero's Views on Possible Changes

25X1A

in Soviet Foreign Policy

25X1C

PLACE ACQUIRED

DATE OF INFO:

ACQUIRED

SUBJECT

CIA Library

NO. OF PAGES

NO. OF ENCLS.

SUPPLEMENT TO REPORT NO.

25X1X

1.

25X1X

- 2. During April Gero was delegated by the Cominform to maintain contact with top Italian Communists during the elections in Italy. After Gero returned from his journey he spoke of the necessity for readjusting the Communist attitude toward the Western Powers. Gero stated that several prominent Soviet leaders, as well as the majority of the Cominform officers, have been greatly perturbed by the recent successful moves of the American foreign policy. These Russian and Cominform officials believe, according to Gero, that as a result of American initiative, a new situation has been created for the Soviet Union in the field of foreign affairs and they are worried lest the balance of power between the United States hitherto favorable to the Soviet Union will be shifted. The main reasons for Soviet and Cominform unessiness is specified by Gero as follows:
  - a. The rapid progress of the American rearmament program with all its frightful prospects.
  - b. The successful actions of American diplomacy to organize a system of anti-Russian alliances. Russians presume that a peace treaty with Japan is also forthcoming, with a role similar to Italy to be assigned for Japan.
  - c. The effects of the European Recovery Program. Although they are convinced that the Marshall Plan will bring no basic solution for Europe's economic or social plights, they think, nevertheless that it will achieve a temporary improvement of the situation on the Continent, thus eliminating for a while at least all chances of proletarian revolutions.
  - d. The decline of the dynamism of the Communist Parties throughout the Continent.
  - e. The realization that Communist predictions as to a forthcoming economic depression in the United States proved to be premature.

				CLA	SSIFICAT	ION	SEC														
STATE		X	NAVY	X	NSRB			NABA	lib	<b>IGIONOT</b>	ICE:	TH	5 DI	STR	BU	MON.	FIS	NG	_Wn	ST	BE
ARMY		X	AIR	X		$\top$			T		T	1	********	T			T		•	-	•
	-						E	XCISE	D	BEFORE	PU					THIS	DO	CUM	IEN	, 6	•
	Dire	er Octo hivi:	of 15 ( or of Cer st of the	Dotoli ntrot	nereby reg coordance or 1978   to 98 gone od Ctalos	with the from the to the	te e	عر	Fi	CRET		NO Cla		GI ASS GHA DDA	in IFI NGE Men	TO:	Ap	IS 7	la la	C	4
- 1	Nex	R	eview Da	tar e	್ಣಾರಾಡ್ಯವಿಕ್ಕ ೧೯೫	•			_	~! \ W !		Aut	h: _	DI <b>V</b>	RE	10; 4 G 77	$\frac{17}{2}$	63	<u> </u>	-	•
		<del>۸</del> ۴	prove	d, F	or Release	ase 2	0 <b>p</b> 1.	/03/0	5	: CIA-R	DP	82 <sub>a</sub> (	2045	7 <u>R</u>	001	6006	80	<u> 906</u>	8		
							4						$\sim 2c$	20	` עב	ノフ	/)				

HETURN TO ARCHITIS & RESIDENCE CONTROL INFORMATION AFTER THE CONTROL OF CONTR

Approved For Release 2001/03/05 : CIA-RDP82-00457R001600680006-8

## CENTRAS ENDETGENCE ACCOUNT OF MITTAL 25X1A

-2-



- f. The realization that the assertions that time is working in favor of Soviet aims, has proved equally specious.
- g. The presumption that the existing European alliance might be provided with a United States military guarantee.
- h. The danger of a new lend-lease program with the ensuing rearmament of the Western countries.
- 3. The uneasiness of Soviet and Cominform circles was evident in the action suggested by them to cope with the dangers of the new development. There was general agreement that it is of vital importance that the full-scale realization of the American "anti-Russian" program should be prevented, and radical changes in the tactics of the Soviet foreign policy to cope with the new situation were suggested as follows:
  - a. That the Soviet Government should urge an early settlement of all European issues between the United States and USSR. In their view, the position of the USSR is at present more favorable for negotiating on her own terms than it will be at any later date. For the time being there are chances to reach an agreement with the United States assuring the Soviet Union undisputed control of all East-European countries, as well as a favorable solution of the German and Austrian questions. With the progress of the United States rearmament program and the strenghtening of the Western European bloc, the chances of such a favorable settlement will daily diminish.
  - b. That the Communist Parties in Europe should resume their willingness to cooperate with other political parties. Many Russian and Cominform personalities realized that all the progress Communist movements made in post-war Europe was based on cooperation with other political parties. As soon as their willingness to cooperate was replaced by their revolutionary attitude, Communist movements started to decline throughout Europe. Persistance in this attitude would not only jeopardize the achievements of the first postwar years but might even lead to outlawing of Communist Parties in the countries of Western Europe.
  - c. That the East-European countries should be permitted to trade with Western Europe. Such a temporary permission would induce the Governments of Western Europe to recognize de facto the present state of affairs in Eastern Europe and put up with Soviet rule over the states in this area.
  - d. Finally it was suggested that by a new policy of general appeasement,
    Moscow should attempt to break the "dynamic line" of the new United States
    foreign policy. The willingness of several European countries to participate
    in an "anti-Russian" alliance is considered by them as a brilliant achievement of American diplomacy. However, they think that if by a policy
    of appeasement Moscow would succeed in breaking the firm line of the United
    States attitude and loosening the newly created ties among the West-European
    countries, confusion and hesitation would replace the present firmness and
    United States would barely be able to regain whole-hearted participation in
    any new anti-Russian alliance.

